



Australian Government

FNSFMK520 Develop and monitor risk management strategies for client

Release: 1

FNSFMK520 Develop and monitor risk management strategies for client

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 4.0.

Application

This unit covers the skills and knowledge required to analyse client needs, develop applicable risk management strategies and monitor client positions on an ongoing basis.

The unit applies to individuals who have a knowledge of financial markets, are able to interpret and analyse market trends and develop customised solutions for clients.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Unit Sector

Financial markets

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Analyse client needs, objective and tolerance to risk	1.1 Identify client needs, objective and tolerance to risk 1.2 Assess implications of applicable market trends and product data to client situation and needs 1.3 Comply with organisational protocols, regulatory requirements and applicable codes of conduct prior to developing risk management solutions for client 1.4 Provide client with analysis of market trends and product data according to organisational communication policies and procedures
2. Develop risk management strategy for client	2.1 Identify risk management strategies consistent with client needs 2.2 Explain proposed risk management strategies, outlining benefits and risks to client

ELEMENT	PERFORMANCE CRITERIA
	2.3 Assess client's understanding of proposed risk management strategy, and refer to further advice if required 2.4 Obtain client acceptance of risk management strategy
3. Maintain client financial positions	3.1 Undertake ongoing monitoring of client positions 3.2 Consult regularly with client about market developments that may impact on strategy 3.3 Adjust risk management strategy if and as required

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

Skill	Description
Reading	Researches and evaluates complex textual information from a range of sources to determine requirements and complete necessary actions
Writing	- Produces logically structured documentation using style and protocols appropriate for audience and purpose - Uses appropriate language, terminology and concepts to convey and confirm explicit information and requirements
Oral communication	- Participates in verbal exchanges using active listening, questioning skills and clear language to present and clarify complex information - Effectively presents detailed information using language, tone and pace appropriate to audience and purpose
Numeracy	- Uses comparative analysis techniques and mathematical equations to perform calculations, make comparisons and determine trends - Evaluates complex numerical information and financial data
Self-management	- Follows organisational policy, procedures and protocols, and regulatory requirements relevant to own role - Takes responsibility for ensuring that information and suggestions to client comply with regulators, industry and organisational requirements - Follows and stays updated on market trends through a range of sources including research reports and data releases
Technology	Uses main features and functions of digital tools to complete work tasks and access information

Unit Mapping Information

Supersedes and is equivalent to FNSFMK510 Prepare trading strategies for clients.

Links

Companion Volume Implementation Guide is found on VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSFMK520 Develop and monitor risk management strategies for client

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Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- identify risks to the client and develop at least two different risk management strategies.

In the course of the above, the candidate must:

- comply with organisational guidelines and applicable codes of conduct
- to develop risk management solutions for client
- when communicating with clients
- take required steps to assess client's understanding of the proposed strategy before implementation
- analyse impact of market trends
- monitor client financial position and adjust where warranted
- follow organisational protocol when the query is beyond their authority or knowledge.

Knowledge Evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

- financial products that can be traded in a particular asset class
- key market trends and drivers within financial markets and their impact on an asset class
- technical and fundamental analysis of financial markets
- passive and active investment styles used in portfolio management
- types of risk management strategies
- regulatory and organisational guidelines or codes of conduct when dealing with and providing risk solutions to clients.

Assessment Conditions

Skills in this unit must be demonstrated in a workplace or simulated environment where the conditions are typical of those in a working environment in this industry.

This includes access to:

- common office equipment, technology, software and consumables required to produce the performance evidence
- risk related case studies and client scenarios
- organisational records, policies and procedures required to produce the performance evidence.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

Links

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